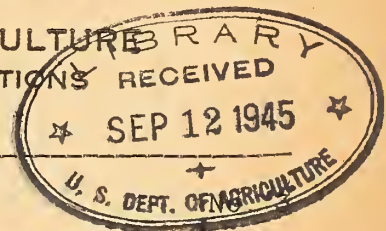


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FOREIGN CROPS and MARKETS

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS



Vol. 45

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LATE FOREIGN DEVELOPMENTS

KENYA: The 1941-42 cotton crop in Kenya (British East Africa) was estimated at 15,100 bales (of 478 pounds) compared with 12,600 in 1940-41 and 9,700 in 1939-40.

UNITED KINGDOM: The Ministry of Food announced that the weekly cheese ration will be increased from 4 to 8 ounces for ordinary domestic consumers for a few weeks beginning July 26. Vegetarians and certain classes of workers will be able to get 1 pound instead of 8 ounces per week.

UNITED KINGDOM: In the year ended June 30, 1942, 2,442 million shell eggs were distributed, of which 784 million were imported. Ordinary consumers received an average of 40 eggs each during the year and priority classes received about 100 eggs each.

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G R A I N SCANADIAN GRAIN CROP PROSPECTS
CONTINUE EXCELLENT . . .

Grain crop prospects in western Canada continued excellent with fairly general rains and higher temperatures favorable for crop growth during the week ended July 14, according to information received from the Dominion Bureau of Statistics. The rainfall varied from showers to heavy downpours, which with high winds caused some lodging. In Saskatchewan and isolated spots of Manitoba and Alberta some severe hail damage was reported. Grasshoppers are more numerous, but no serious damage to standing crops is indicated. The sawfly infestation in Alberta is said to be as severe as last year. In Ontario, winter wheat is now being cut, with a heavy yield reported. Spring grain crops and pastures are also progressing favorably in most sections, according to the announcement.

The official Canadian crop report released July 8, giving the condition of crops on June 30, showed average or better prospects for all grains. Wheat in particular was indicated to be excellent and considerably above a year ago. The crop made unusually favorable progress during June. In the important wheat-producing Province of Saskatchewan the condition at the end of June was markedly improved compared with a month earlier and the condition on June 30 a year ago. In general, the spring-wheat crop prospects in the Prairie Provinces showed the best June 30 condition since the bumper crops of 1927 and 1928. Feed grains, including oats, barley, and rye, also showed excellent promise, both in eastern and western Canada, in contrast to last year's generally below-average condition.

CANADA: Condition of crops at June 30, 1942,
with comparisons

Crop	1941	1942	
	June 30	May 31	June 30
	Percent	Percent	Percent
Fall wheat	86	103	103
Spring wheat a/	80	109	136
All wheat a/	80	108	135
Fall rye	83	92	93
Spring rye	86	93	98
All rye	84	92	95
Oats	87	94	100
Barley	89	92	100
Mixed grains	84	96	97
Flaxseed	87	-	94

Dominion Bureau of Statistics. 100 = long-time average yield per acre.

a/ Includes figures for Prairie Provinces based on weather factors.

PRAIRIE PROVINCES: Condition of crops at June 30, 1942,
with comparisons

Province and grain	1941	1942	
	June 30 Percent	May 31 Percent	June 30 Percent
<u>Manitoba</u>			
Spring wheat a/	121	124	129
Rye	99	97	98
Oats	98	93	97
Barley	97	93	97
<u>Saskatchewan</u>			
Spring wheat a/	71	103	137
Rye	77	92	93
Oats	82	92	103
Barley	81	94	104
<u>Alberta</u>			
Spring wheat a/	80	114	139
Rye	87	87	93
Oats	89	89	100
Barley	90	89	99

Dominion Bureau of Statistics. a/ Figures based on weather factors.

BOLIVIA PLANS INCREASED WHEAT PRODUCTION . . .

The Minister of the recently established Department of Agriculture in Bolivia in a statement to the press indicated that his main interest would be to attempt to increase the production of wheat, according to information received in the Office of Foreign Agricultural Relations. He stated that he wished to make the nation independent of foreign supplies of foodstuffs. In the past, practically all Bolivian wheat and flour imports, which in recent years have amounted to approximately 2,000,000 bushels (1,500,000 as wheat and the balance flour), have come largely from Argentina (see Foreign Crops and Markets, October 27, 1941).

In a recent decree, the Government announced that a new wheat law was being drawn up and a national committee would be appointed to study the entire problem of wheat and flour. A new flour mill, to be constructed in Tupiza, has been authorized. It will have a capacity of 50 tons of flour daily and will mill wheat grown in the southern part of Bolivia. It is expected to provide flour for the three departments of Tarija, Chuquisaca, and Potosí. The Government has also decreed that flour made from domestic wheat is to be sold at its real price without state subsidy. In order to prevent an increase in the price of bread, however, it is reported that the Ministry of Economy and Bolivian bakers have reached a special understanding. In view of the present reduced supplies in the country, the Government has taken certain steps to

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facilitate temporarily the importation of flour and wheat. An order has been issued which permits the unrestricted importation of flour and another order has reduced the duty on imported wheat by 50 percent. On the other hand, freight rates on state-owned railways have been substantially increased.

CUBAN RICE IMPORTS SLAKEN . . .

Rice imports into Cuba in May amounted to 38,553,000 pounds as compared with 64,837,000 pounds in April. Total imports for the 5 months, January-May of this year, equaling 261 million pounds, were substantially above imports for the same period in 1941. Cuban imports during the summer months of this year are expected to be small on account of the small volume purchased during the past few weeks.

CUBA: Imports of rice, May 1942, with comparisons a/

Country	May		January-May	
	1941	1942	1941	1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Orient	9,744	-	14,668	497
Dominican Republic.	500	-	740	8,204
Ecuador	-	-	1,000	12,070
Mexico	-	3,432	-	16,631
Peru	-	1,980	-	5,854
Chile	-	1,179	-	1,179
United States	36,968	31,962	184,588	217,018
Total	47,212	38,553	200,996	261,453

American consulate, Cuba. a/ Unofficial.

The Cuban Minister of Agriculture recently announced that a considerable expansion in domestic rice production was expected in 1942. This was based in part upon the increased distribution of seed rice made by the Ministry this year, amounting to 1,490,000 pounds. Officials hope that a crop of about 3 million bushels will be produced this season. Some authorities in Cuba, however, believe that this is far too optimistic. Official production figures (reported to be incomplete) for recent years have placed the Cuban crop at 600,000 to 700,000 bushels.

Maximum retail prices for rice and several other commodities were fixed by Resolution No. 8, dated June 22 and effective immediately. The measure amplified a previous decree, which prescribed a general price ceiling at the level of the second week in March 1942. The maximum retail price for domestic rice has been fixed at 13.5 cents per pound - short grain rice 10 cents, and long grain 13.5 cents per pound.

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C O T T O N - O T H E R F I B E R SEGYPTIAN COTTON GROWERS SHIFT TO
LONGER STAPLE VARIETIES . . .

The 1942 production of cotton in Upper Egypt, mostly of medium-long-staple, is not expected to exceed 200,000 bales (of 478 pounds) compared with about 600,000 in 1941, whereas production of extra-long-staple varieties in Lower Egypt is being increased to between 600,000 and 800,000 bales this year compared with a rough estimate of around 500,000 bales in 1941. Cotton acreage has been restricted by the Government in order to encourage increased production of cereals, vegetables, and fruits. Water supplies are reported to be adequate this year, and the condition of growing plants is good, with only a light infestation of thrips, cutworms, and green worms.

EGYPT: Cotton ginned, by varieties, 1941-42 season,
with comparisons
(In bales of 478 pounds)

Cotton variety	Year beginning September 1		
	1939	1940	1941 a/
	Bales	Bales	Bales
Karmak (ex Giza 29)	b/	6,765	42,686
Sakellaridis	42,657	66,141	52,425
Maarad	72,896	79,893	67,552
Sakha No. 4	16,060	24,763	25,695
Giza No. 7	528,534	476,364	398,471
Wafir c/	84,946	46,967	29,010
Malaki d/	8,156	25,816	27,559
Ashmuni	701,839	739,197	602,784
Zagora	310,342	398,276	437,220
Other varieties	1,777	1,172	15,748
Scarto	34,221	34,713	33,154
Total	1,801,428	1,900,067	1,732,304

Compiled from Monthly Bulletin of Agricultural and Economic Statistics and records of the Ministry of Agriculture.

a/ Preliminary. b/ Not separately shown. If any, included in "Other varieties." c/ Prior to 1939-40 season, Wafir known as Giza No. 12.

d/ Prior to 1939-40 season, Malaki known as Giza No. 23.

Exports during the 11 months ended June 30, 1942, were equivalent to 1,033,000 bales of 478 pounds compared with 604,000 for a similar period last year. Stocks remaining in Egypt at the end of April 1942 were officially estimated at 2,177,000 bales compared with 1,660,000 a year earlier. The better qualities of extra-long-staple cotton are rapidly disappearing, and remaining stocks consist largely of Ashmuni and Zagora varieties. Stocks at Alexandria are kept at a relatively low level (187,000 bales on May 7, 1942) to avoid exposure to enemy air raids.

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Domestic consumption, estimated at 110,000 bales for the 8 months ended April 30, 1942, was slightly higher than the 103,000 bales consumed during a similar period in 1940-41.

COTTON CROP IN UGANDA SLIGHTLY LOWER . . .

The 1941-42 cotton crop in Uganda, picked during November to March, was estimated at 234,000 bales (of 478 pounds) compared with 272,000 in 1940-41 and 252,000 in 1939-40. The 1,298,000 acres planted in 1941 were about equal to the area planted in the previous year, but yield was slightly reduced by lack of sufficient rain. The average price of seed cotton during the first week in February was equivalent to about 1.91 cents per pound. Reaction to unfavorable military developments in the Far East was believed responsible for a decline in prices during the second week to 1.61 cents, and buying was suspended on and after February 13, 1942.

HEMP PRODUCTION IN CHILE DOUBLES . . .

Chile has just harvested the largest hemp crop in its history, according to a report received by the Office of Foreign Agricultural Relations. The 14,404 long tons of fiber were 74 percent larger than the 1940-41 crop, and the 29.5 million pounds of seed more than three times the crop of the preceding year. A rapid increase in hemp acreage has occurred during the past few years, with considerably larger production of both fiber and seed. The 35,587 acres devoted to hemp production in 1941-42 are 185 percent greater than the acreage in 1939-40 and 335 percent greater than that in 1929-30. The recent expansion has been due mostly to the lack of access by British and United States importers to former sources of supply, principally Italy and Yugoslavia. Since the principal source of abaca, Philippine Islands, has also been shut off, a limited substitution of hemp for abaca may stimulate further increases in Chilean hemp acreage.

No estimates have been received to indicate the volume of hemp fiber available for export from the record crop this year. Exports in 1930 were only about 40 long tons, but the figure rose in 1934 to more than 1,000 tons, and in 1935 to more than 4,000 tons. Over the next few years, exports remained close to that figure, the annual average for the 6 years, 1935-1940, being 4,406 tons. The finest quality hemp is exported, and, since prices in the foreign market are usually higher than those offered by domestic mills, many farmers are finding it profitable to produce hemp only for export. In 1939 Argentina and Great Britain each took about 30 percent of the total exports from Chile, and Germany

about 24 percent. Other South American countries accounted for another 10 percent, other Europe for 3 percent, and the United States for only 1 percent. Lately, however, exports to Argentina have decreased as production in that country increased. Exports to Great Britain have increased, and the place of the United States in Chile's export trade has also become much more important.

As Chile is a deficit oilseed-producing country, a strong domestic demand is expected for the seed. Prior to the past decade, almost the only use for the seed was for bird feed, and approximately 90 percent of the production was used within the country. Exportation of hempseed has greatly increased, although considerable quantities have been absorbed in recent years in the production of hempseed oil. The exportation of hempseed is closely regulated and controlled through the granting of permits by the Agricultural Export Board. A number of recent shipments have been made to the United States, however, to meet the hemp program of the Department of Agriculture.

While Aconcagua in central Chile has always produced the greatest amount of hemp, or about 80 percent of the total crop 10 years ago, other Provinces have risen in production until in 1941-42 Aconcagua's proportion was only a little more than 60 percent of the fiber and seed. In fiber production the Province of O'Higgins ranked second with 12 percent of the total, and Valparaiso and Santiago third and fourth with 11 and 9 percent, respectively. In seed production Valparaiso came second with 13 percent, and Santiago and O'Higgins next with about 10 percent each.

The Agricultural Credit Institution has helped hemp farmers to meet higher costs of sowing, cultivating, and harvesting by granting special loans for the purpose of getting the plants pulled and threshed and the fiber prepared for manufacturing. Hemp farmers are receiving substantial profits from the bumper crop of 1941-42, not only because of the 70-percent increase in acreage over last year and the good average yield of 828 pounds to the acre compared with 461 in 1940-41 and 835 in 1939-40, but also because of the higher price.

CHILE: Cultivation and production of hemp,
1939-40 to 1941-42

Year	Area sown	Harvest		Average yield per acre	
		Seed	Fiber	Seed	Fiber
	<u>Acres</u>	<u>Pounds</u>	<u>Long tons</u>	<u>Pounds</u>	<u>Pounds</u>
1939-40	12,503	10,439,883	5,252	835	941
1940-41	20,924	9,645,125	8,261	461	384
1941-42	35,587	29,461,393	14,404	828	907

Compiled from report from American Embassy, Santiago.

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F R U I T S, V E G E T A B L E S, A N D N U T S

CUBAN FRESH FRUIT EXPORTS TO
UNITED STATES DECLINE . . .

The shipment of fresh pineapples from Cuba, which normally is at its height during May, amounted to only 69,513 crates as compared with 346,093 crates for the same month a year ago. The heavy drop in exports is said to be due to the shipping situation. Growers are hopeful of being able to divert some of the fruit to canners, but this outlet is also somewhat uncertain due to the lack of tin plate for cans.

The shippers of other fruit, such as bananas, avocados, and grapefruit, are also concerned about the lack of shipping space to carry these fruits to the United States as they come to market.

CUBA: Export of fresh fruit to the United States,
May and January-May, 1941 and 1942

Kind of fruit	May		January-May	
	1941	1942	1941	1942
	Pounds	Pounds	Pounds	Pounds
Papayas	14,241	-	187,521	14,638
Avocados	-	-	-	-
Grapefruit	80	-	80	-
Pineapples -				
In crates	346,093	69,513	744,997	382,359
In bulk	499,544	-	499,544	-
Plantains	397,182	-	2,396,549	1,214,184
Bananas	39,790	-	85,570	41,200
Others <u>a/</u>	45,562	65,400	162,995	82,715

Compiled from official statistics.

a/ Limes and coconuts.

CUBAN 1941-42 WINTER VEGETABLE
EXPORTING SEASON CLOSES . . .

The exportation of fresh vegetables from Cuba to the United States during the month of May consisted of only 18,700 pounds of eggplant; all other fresh-vegetable shipments had come to a stop in April. The season for fresh vegetable exports normally ends in May. The total season's exports from November to May have been considerably below those of the 1940-41 season, and less than half those of the 1939-40 season.

CUBA: Exports of fresh vegetables to the United States,
May and November-May, 1939-40 to 1941-42

Kind	May		
	1940	1941	1942
	Pounds	Pounds	Pounds
Tomatoes	385,819	36,332	-
Eggplant	335,169	102,600	18,700
Peppers	497,727	387,441	-
Okra	239,182	192,311	-
Lima beans	5,240	-	-
Cucumbers	-	100	-
Potatoes	-	-	-
Others a/	186,660	270,436	-
Total	1,649,797	989,220	18,700
	November-May		
	1939-40	1940-41	1941-42
	Pounds	Pounds	Pounds
Tomatoes	77,988,985	53,758,784	30,266,096
Eggplant	6,491,339	7,168,871	5,656,533
Peppers	6,614,508	8,110,972	3,431,694
Okra	1,773,610	1,641,278	1,331,548
Lima beans	7,330,469	4,146,368	3,501,856
Cucumbers	2,515,060	3,048,766	3,157,297
Potatoes	4,731,267	18,400	199,943
Others a/	2,018,031	1,968,632	717,181
Total	109,463,269	79,862,071	48,262,148

Compiled from official statistics.

a/ Includes arums, cassava, chayotes, pumpkin, squash, Chinese vegetables, malangas, yucca, and ginger.

NEW BRUNSWICK POTATO CROP PROSPECTS . . .

The 1942 preliminary estimate of acreage planted to table-stock potatoes in New Brunswick, Canada, is 48,000 as compared with 47,800 in 1941, and 54,300 acres in 1940. The acreage devoted to seed potatoes is expected to be less than in 1941; however, quantitative estimates have not yet become available.

Planting and growing conditions have been ideal this year, according to information received by the Office of Foreign Agricultural Relations. There is a shortage, however, of fertilizers and farm labor. The shortage of fertilizer is due primarily to the lack of transportation rather than of the fertilizer. In this connection, it is reported that 20 to 25 percent more limestone was used throughout the Province than normal.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

CANADIAN BEEF PRODUCTION EXPECTED
TO CONTINUE EXPANSION . . .

More beef was produced in Canada during the past 12 months (July June) than in corresponding periods of recent years. A continued increase in beef production is to be expected during the next 12 months, since pasture conditions are excellent and the calf crop is believed to have been large. Meat consumption has also been increasing, especially beef. Pork consumption is barely being maintained, since bacon export requirements are absorbing the extra production. Poultry is plentiful but is too costly to be generally substituted for beef.

Exports of boneless beef to the United States were abnormally large for several months after certain duty reductions in the United States - such as when the Argentine trade agreement became effective - but in recent months they have been of negligible importance because of the rigid application of Canadian export restrictions. Exports of low-duty beef cattle have practically equaled the low-duty quota in each of the past four quarters and were particularly heavy in the first month of each of the past two quarters. Exports will be smaller during the current quarter (July-September) because export permits for slaughter cattle are being denied. Exports of dairy cattle and veal calves have been slightly larger than a year ago. The seasonal reduction in stocks of beef since December has been greater than usual, and stocks of veal have recently increased very little.

Cattle prices rose steadily during the first 6 months of 1942. In recent months, they have been about the live-weight equivalent of beef price ceilings. The latter were adjusted last May to a basis more favorable to packers. At the end of June, however, the Government announced that gradually reduced price ceilings would be in effect from July 13 to November 30, 1942. An abrupt decline in cattle prices resulted, and prices in Canada are once again at or near the level at which exports to the United States would be profitable.

The newly created Wartime Food Corporation is beginning to purchase low-duty slaughter cattle for which export permits have been denied. Payment is to be made at the prices which these cattle would have brought had they been exported to intended United States markets. Some controversy is expected in arriving at such prices.

The diversion of export cattle to Canadian markets is not to be permitted to depress Canadian prices below the live-weight equivalent of the price ceilings. The Wartime Food Corporation is authorized to purchase a limited number of cattle at such prices so long as actual exports and export diversions are less than the quarterly low-duty quota.

While June estimates of beef-cattle numbers are not yet available, it is evident that their numbers are larger, since cows bred to calve during December-May were 3.6 percent higher than a year ago, the spring calf crop is believed to be quite good, and no abnormal liquidation of cattle occurred between December 1, 1941, and June 1, 1942. Beef cattle numbered 3,784,000 in June 1940 and 4,011,000 in June 1941. Inspected slaughterings of cattle (not including calves) increased from 891,000 in 1940 to 1,004,000 in 1941. The first half of 1942 showed about a 7-percent increase over the same period in 1941, although marketings were heavier in the winter months by comparison than in the spring months. These heavier marketings might indicate that the process of restocking Western Canada following the droughts of 1936 and 1937 has been completed. If so, a normal output of cattle from the Prairie Provinces may be expected to reach the markets.

CANADA: Inspected slaughter of cattle and calves, 1940, 1941
and January-June, 1942

Month	Cattle			Calves		
	1940	Preliminary		1940	Preliminary	
		1941	1942		1941	1942
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
January ...	73	78	93	30	30	32
February ..	60	61	72	34	31	31
March	64	64	76	51	53	65
April	72	68	66	96	91	86
May	72	78	69	95	85	85
June	61	73	a/ 75	75	81	a/ 72
July	66	83	-	73	73	-
August	75	88	-	57	59	-
September .	78	98	-	53	65	-
October ...	100	118	-	57	67	-
November ..	99	109	-	51	48	-
December ..	71	86	-	32	36	-
Total ...	891	1,004	-	704	719	-

American Legation, Ottawa.

a/ Through June 27 only.

In 1940-41, Canada exported or slaughtered 2,507,000 cattle and calves and added 232,500 head to the June inventory. The total number of cattle and calves, both dairy and beef, rose to 8,797,800 on June 1, 1941. In 1941-42 exports and slaughterings were probably 270,000 greater than the year before, and another increase will probably be shown in the June inventory. If abundant pasturage continues during July and August, the tonnage of beef marketed next fall will be increased even more than the number of marketed cattle would indicate.

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CANADA: Total output of cattle and calves, 1935-36 to 1941-42

Year (June-May)	Exports	Slaughter		Added to number on farms	Total output
		Inspected	Other <u>a/</u>		
	Thousands	Thousands	Thousands	Thousands	Thousands
1935-36 ...	194	1,392	851	20	2,457
1936-37 ...	283	1,565	942	0	2,790
1937-38 ...	262	1,647	962	-329	2,542
1938-39 ...	243	1,530	822	-36	2,559
1939-40 ...	249	1,573	737	91	2,650
1940-41 ...	223	1,587	697	232	2,740
1941-42 ...	317	1,760	700	100	2,877

American Legation, Ottawa. a/ Pro-rated from calendar year difference between total and inspected slaughter, chiefly on farms or by local butchers.

Cold-storage holdings of beef declined seasonally to 10.2 million pounds on June 1, 1942, as compared with 12.6 million pounds in June 1941 and 17.0 million pounds in June 1940. An unusually high proportion now consists of boneless beef, which is more suitable for transportation. The decline in stocks since December 1, 1941, which is usually the high point of the year, has been unusually large. Veal in cold storage on June 1, 1942, amounted to 3.3 million pounds. This was slightly less than on the corresponding date of each of the 2 previous years and represented less than the normal increase from the seasonal low point on April 1. These light holdings in cold storage on June 1, 1942, indicate the heavier domestic consumption during recent months.

CANADA: Beef and veal in cold storage on June 1
and December 1, 1939-1942

Type	1939		1940		1941		1942 <u>a/</u>
	June 1	Dec. 1	June 1	Dec. 1	June 1	Dec. 1	June 1
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
<u>Beef</u>							
Boned	8.5	20.2	11.8	15.5	10.0	24.4	6.3
Boneless	2.0	5.6	4.4	4.4	2.0	7.3	3.1
Cured and in cure	.4	.4	.8	.2	.6	.4	.5
Total beef	10.9	26.2	17.0	20.1	12.6	32.1	10.2
<u>Veal</u>							
Boned	2.4	3.5	2.2	2.7	2.6	4.6	2.3
Boneless8	1.1	1.3	2.2	1.0	2.8	.8
Total veal	3.2	4.6	3.5	4.9	3.6	7.4	3.3

American Legation, Ottawa. 2/ Preliminary.

Beef consumption is at a high level among both the civilian and the military populations. Military contracts absorb about 15 to 20 percent of the inspected slaughter of cattle and calves. In terms of total slaughter, this would represent 10 to 14 percent. The increased consumption of beef

is not to be explained by a decrease in consumption of pork. Beef is the most popular choice. Greater exports of pork products are being met by increased production. Consumption of beef in Canada averaged about 570 million pounds during 1938—1940 and of veal about 130 million.

Cattle prices have fluctuated with but little relation to beef price ceilings in Canada. When the general price ceiling was imposed on December 1, 1941, beef prices became subject to the general provision that each seller could charge no more for beef than was charged during the basic period (September 15 - October 11, 1941) for beef of the same quality. Cattle prices rose steadily despite the price ceiling on beef. At Winnipeg, heavy steers (good grade) rose from \$7.35 per 100 pounds in October 1941 to \$9.96 per 100 pounds in April 1942 and to \$11.10 per 100 pounds during the week ended June 25, 1942. Prices rose similarly at Toronto and Calgary.

With these increased prices for cattle, the sale of beef at ceiling prices became increasingly unprofitable to packers. The packers demanded that heavy movement of cattle to the United States be stopped and that the price ceiling be raised. Cattlemen, however, were not in favor of the first demand. By the middle of May, the low-duty quota for exports to the United States had already been practically filled and Canadian cattle prices had increased to the point that exports were no longer profitable. Nevertheless, the Wartime Food Corporation was set up with power (effective June 25) to buy low-duty export cattle at export values so long as the export quota for any quarter remained unfilled. Exporters were required to be licensed, and export permits were required for individual shipments after June 15.

The beef-price-ceiling system was then changed to a flat price for each of 15 zones established throughout Canada. For example, in each of the three Prairie Provinces, the ceiling price was fixed at 18.5 (16.8 United States) cents for carcasses of baby beef, steers, heifers, and yearlings, and at 15.25 (13.9) cents for carcasses of cows and bulls. Cuts must be priced to average these figures. Actual ceilings for 28 different cuts of beef will be announced soon. The flat price ceiling probably represents an average increase of a cent or two a pound. On June 25, the Wartime Prices and Trade Board announced gradual beef-price-ceiling reductions totaling 3.5 cents a pound to become effective 1 cent at a time on July 13, August 3, and August 24, and the remaining 0.5 cent on September 14. After November 30, seasonal increases will be introduced. After July 13, the price ceilings will also apply to military contracts.

The purchase of cattle, denied an export permit, by the Wartime Food Corporation involves a price paid (if the United States quota is unfilled) which will be the equivalent of the price that would have been received at the intended market in the United States. The cattle are appraised at the Canadian market to which the corporation orders them to be shipped. Appraisal is made by three commission men selected by the

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Corporation. The seller has 10 days within which to protest the appraisal. As soon as the price is accepted by the seller, he is paid what the cattle would have realized if they had been exported. Exports of beef cattle weighing over 700 pounds during each of the first two quarters of this year have been practically equal to the low-duty quota. In each quarter, most of the exports occurred during the first few weeks. A more even distribution of exports will probably result from the operation of the new export-permit system. Exports will probably fall well below the quarterly quota of 51,720 head as a result of the Food Corporation's purchases.

STOCKS OF NEW ZEALAND MEAT INCREASE AS EXPORTS LESSEN . . .

Exports of meats to the United Kingdom have steadily dwindled since the outbreak of war, due to lack of refrigerated shipping space. Stocks of all meats in May 1942 were estimated at about 374 million pounds or 130 million pounds more than is normally in storage. Storage facilities are ample, however, since the capacity of the various freezing plants amounts to about 695 million pounds. This represents slightly more than a year's export surplus. It is estimated by the New Zealand Export Marketing Department that approximately 570 million pounds of meat will be available for export to the United Kingdom for 1942-43. This includes 380 million pounds of lamb, 49 million of mutton, 76 million of beef, 45 million of pork, and 20 million pounds of offals. The quantity that will be imported by the United Kingdom, however, will depend entirely on the availability of refrigerated shipping space. Exports fell considerably during the calendar year 1941, when beef and veal exports were reduced by nearly one-half, and all other meat exports dropped appreciably with the exception of bacon and hams.

NEW ZEALAND: Exports of specified meats, 1935-1941

Year	Beef and veal	Mutton and lamb	Pork	Bacon and hams
	Million pounds	Million pounds	Million pounds	Million pounds
1935 ..	103.6	406.7	55.1	0.1
1936 ..	95.3	390.6	67.8	0.1
1937 ..	112.2	407.7	67.1	0.1
1938 ..	115.8	407.5	58.4	0.1
1939 ..	136.9	449.5	52.2	0.1
1940 ..	167.5	524.4	60.3	0.1
1941 ..	88.6	423.8	54.9	0.2

Compiled from official sources.

Production has been maintained at high levels, as indicated by recent livestock numbers, and slaughter and meat-production figures. No increase in domestic consumption is expected.

NEW ZEALAND: Livestock numbers, slaughter, and meat production,
1935-1941

Item and year	Sheep and lambs	Cattle and calves	Hogs
	Thousands	Thousands	Thousands
<u>Numbers a/</u>			
1935	29,077	4,293	763
1936	30,114	4,254	808
1937	31,306	4,389	802
1938	32,379	4,506	756
1939	31,897	4,565	683
1940	31,063	4,533	714
1941	31,752	4,576	769
<u>Slaughter b/</u>			
1935	12,016	1,663	1,042
1936	12,821	1,571	1,106
1937	13,892	1,683	1,115
1938	14,671	1,614	1,040
1939	14,584	1,661	828
1940	17,184	1,796	989
1941	c/	c/	c/
<u>Meat production b/</u>	<u>Million pounds</u>	<u>Million pounds</u>	<u>Million pounds</u>
1935	511	476	92
1936	545	436	95
1937	593	488	125
1938	641	479	116
1939	732	487	93
1940	742	565	111
1941	c/	c/	c/

Compiled from official sources. a/ April 30 for sheep; January for others. b/ Year beginning April 1. c/ Not available.

NEW ZEALAND DAIRY PRODUCTION
BEING MAINTAINED . . .

Production of dairy products in New Zealand is expected to be sufficient to meet export requirements and normal domestic demands for the year ending July 31, 1942. The outlook for the year 1942-43 (August-July) is favorable, although clouded by some uncertainty regarding the ability to retain manpower in keeping up production. If production continues at a high level, exports can be maintained and provision made for a moderate increase in domestic consumption. With favorable weather, farm labor, and shipping conditions, production and exports of cheese are expected to reach high levels during the 1942-43 (August-July) dairy season. It is doubtful, however, if exports to the United Kingdom will meet the probable 1942-43 cheese contract of about 358 million pounds unless further conversion is planned.

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Difficulties in conversion from butter to cheese manufacture have been largely overcome by the New Zealand dairy industry. This conversion was made after a request by the United Kingdom for Empire countries to export more cheese and less butter, since cheese is of more value from a nutritive standpoint. The production of creamery butter, whey butter, and cheese has risen steadily since 1938-39. Although production figures are not yet available for 1941-42, there has been a substantial decrease in butter production and an equally strong increase in cheese production.

NEW ZEALAND: Production of specified dairy products, 1935-1941

Factory year (April-March)	Creamery butter	Whey butter	Cheese
	1,000 pounds	1,000 pounds	1,000 pounds
1935-36	372,142	4,915	198,238
1936-37	392,807	5,141	204,546
1937-38	364,920	5,509	198,167
1938-39	325,992	5,217	190,991
1939-40	347,625	5,747	218,708
1940-41	362,451	7,514	274,110

Compiled from official sources.

The following table on butter and cheese gradings indicates the success of the conversion from butter to cheese manufacture and the trend in production during 1941-42 as compared with 1940-41.

NEW ZEALAND: Butter and cheese gradings for export,
April-March, 1940-41 and 1941-42

Month	Butter gradings		Cheese gradings	
	1940-41	1941-42	1940-41	1941-42
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
April	23,421	21,155	20,326	23,296
May	12,179	11,556	14,896	18,388
June	3,190	2,684	4,554	6,872
July	3,042	2,751	690	2,007
August	12,911	10,797	3,434	5,846
September	26,828	21,851	16,222	21,168
October	42,444	32,538	31,774	38,394
November	46,581	43,469	37,099	39,556
December	46,789	38,429	39,903	53,303
January	39,308	31,920	33,817	45,084
February	32,621	23,495	27,299	38,261
March	26,728	17,329	26,221	35,345
Total	316,042	257,974	256,235	327,520

Compiled from official sources.

* * * * *

GENERAL AND MISCELLANEOUS

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of specified currencies,
July 11, 1942, with comparisons a/

Country	Monetary unit	Year 1941	Month				Week ended		
			1940	1941	1942		1942		
			June	June	May	June	June 27	July 4	July 11
		Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Argentina <u>b/</u>	Paper peso	29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia <u>c/</u>	Pound	321.27	287.04	321.25	321.50	321.50	321.50	321.50	321.50
Brazil <u>d/</u> ..	Milreis . . .	5.07	5.03	5.06	5.14	5.14	5.14	5.14	5.14
British India	Rupee	30.14	30.11	30.13	30.12	30.12	30.12	30.12	30.12
Canada <u>c/</u> ..	Dollar . . .	87.32	80.07	88.18	88.56	89.96	89.95	89.94	89.92
Mexico <u>e/</u> ..	Peso	20.54	18.37	20.53	20.57	20.57	20.57	50.27	20.57
New Zealand.	Pound	322.54	288.19	322.51	322.78	322.78	322.78	322.78	322.78
South Africa . . .	Pound	398.00	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United Kingdom <u>c/</u>	Pound	403.18	360.16	403.16	403.50	403.50	403.50	403.50	403.50

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Official rates: Australia 322.80 cents; Canada 90.91 cents; United Kingdom 403.50 cents. Most transactions between these countries and the United States must take place at the official buying and selling rates.

d/ Free. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.37 cents in 1941, 5.42 cents in June 1942 and 5.42 cents in the week ended July 11, 1942. Quotations nominal.

e/ Quotations nominal for 1940 and 1941 .

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EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available, and current official rates

Country	Unit	New York rates <u>a/</u>	Current official rates
		Month Cents	Cents
Belgium	:Belga	:April 1940 ... : 16.89	: <u>b/</u> 16.00
Denmark	:Krone	:March 1940 ... : 19.31	: 20.88
France	:Franc	:May 1940 : 1.85	: <u>c/</u> 2.00
Germany	:Reichsmark	:May 1941 : <u>d/</u> 39.97	: 40.00
Greece	:Drachma	:September 1940 : <u>d/</u> 0.66	: 0.67
Italy	:Lira	:May 1941 : <u>d/</u> 5.09	: 5.26
Netherlands ..	:Guilder	:April 1940 ... : 53.08	: 53.08
Norway	:Krone	:March 1940 ... : 22.71	: 22.86
Portugal	:Escudo	:May 1941 : 4.00	: <u>e/</u> 6.67
Spain	:Peseta	:May 1941 : <u>d/</u> 9.13	: 9.13
Sweden	:Krona	:May 1941 : 23.84	: 23.81
Switzerland ..	:Franc	:May 1941 : 23.20	: 23.20
China	:Yuan (Shanghai)	:June 1941 : <u>d/</u> 5.34	: <u>f/</u> 5.31
Japan	:Yen	:June 1941 : 23.44	: 23.44

a/ Moon buying rates for cable transfers as reported by the Federal Reserve Board. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner; on May 9, 1940, for the belga and guilder; on June 15, 1940, for the French franc; on October 26, 1940, for the drachma; on June 14, 1941, for the other European currencies; and on July 26, 1941, for the yen and yuan (Shanghai).

b/ Based on German official rate for United States dollar.

c/ Based on German official rate for United States dollar in occupied area; in unoccupied area official rate is 2.28 cents.

d/ Quotations nominal.

e/ Rate for currency; for checks, 4.09 cents to the escudo.

f/ Rate set August 18, 1941, by Chinese Stabilization Board.

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